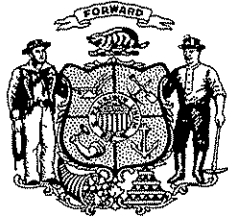


STATE OF WISCONSIN

SENATE CHAIR
MARK MILLER

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
MARK POCAN

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: January 5, 2010

Re: Department of Administration Report on Temporary reallocation of
balances.

Attached is a report on temporary reallocation of balances from the
Department of Administration, pursuant to s. 20.002(11)(f), Stats.

The Department of Administration has found it necessary to exercise the
"temporary reallocation of balances" authority provided by this section in order
to meet payment responsibilities.

This report is being provided for your information only. No action by the
Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm



WISCONSIN DEPARTMENT OF
ADMINISTRATION

JIM DOYLE
GOVERNOR

MICHAEL L. MORGAN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842

December 30, 2009

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of November 2009.

On November 1, 2009, the **Injured Patients and Families Compensation Fund** cash balance closed at a negative \$28.2 million. This negative balance continued through November 30, 2009, when the fund's cash balance closed at a negative \$20.6 million. The **Injured Patients and Families Compensation Fund** cash balance reached its intra-month low of a negative \$28.4 million on November 13, 2009. The negative balance was due to the transfer of \$200 million to the Medical Assistance Trust Fund per 2007 Wisconsin Act 20, and the pending liquidation of fund securities necessary to offset this shortfall.

On November 1, 2009, the **Utility Public Benefits Fund** cash balance closed at a negative \$8.2 million. This negative balance continued through November 30, 2009, when the fund's cash balance closed at a negative \$22.6 million (its intra-month low). The negative balance was due to the difference in the timing of revenues and expenditures.

On November 1, 2009, the **Permanent Endowment Fund** cash balance closed at a negative \$2.0 million. This negative balance continued through November 30, 2009, when the fund's cash balance closed at a negative \$2.0 million. The negative balance was due to the difference in the timing of revenues and expenditures.

Referred to joint committee on Finance

Mr. Robert Marchant
Mr. Patrick Fuller
Page 2
December 30, 2009

On November 1, 2009, the **Workers Compensation Fund** cash balance closed at a negative \$2.3 million. This negative balance continued through November 30, 2009, when the fund's cash balance closed at a negative \$2.4 million (its intra-month low). The negative balance was due to the difference in the timing of revenues and expenditures.

On November 24, 2009, the **Medical Assistance Trust Fund** cash balance closed at a negative \$6.6 million (its intra-month low). This negative balance continued through November 30, 2009, when the fund's cash balance closed at a negative \$5.2 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On November 1, 2009, the **Petroleum Inspection Fund** cash balance closed at a negative \$2.7 million. This negative balance continued through November 20, 2009, when the fund's cash balance closed at a positive \$2.0 million. The **Petroleum Inspection Fund** cash balance reached its intra-month low of a negative \$3.7 million on November 19, 2009. The negative balance was due to the difference in the timing of revenues and expenditures.

The Injured Patients and Families Compensation Fund, Utility Public Benefits Fund, Permanent Endowment Fund, Workers Compensation Fund, Medical Assistance Trust Fund, and Petroleum Inspection Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority and, as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,



FOR
Michael L. Morgan
Secretary of Administration